

UNCLASSIFIED

RDT&E BUDGET ITEM JUSTIFICATION SHEET (R-2 Exhibit)

DATE

February 2003

BUDGET ACTIVITY

05 - System Development and Demonstration (SDD)

PE NUMBER AND TITLE

0604329F Small Diameter Bomb

PROJECT

5006

COST (\$ in Thousands)	FY 2002 Actual	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	FY 2006 Estimate	FY 2007 Estimate	FY 2008 Estimate	FY 2009 Estimate	Cost to Complete	Total Cost
5006 Small Diameter Bomb	38,753	53,118	126,447	67,685	47,942	15,421	0	0	0	378,360
Quantity of RDT&E Articles	0	0	0	0	0	0	0	0	0	0

(U) **A. Mission Description**

Small Diameter Bomb (SDB) is a pre-MDAP Air Force program providing increased kills per sortie on current and future aircraft platforms. SDB addresses the following warfighter requirements: multiple kills per pass; multiple ordnance carriage; adverse weather operations, near-precision munitions capability; capability against hardened targets; reduced munitions footprint; increased weapons effectiveness against area targets; minimized potential for collateral damage; and reduced susceptibility of munitions to countermeasures. Threshold aircraft is the F-15-E. Objective aircraft include the B-1, B-2, Joint Strike Fighter (JSF), F/A-22, F-117, F-16, B-52, Predator B, and the Unmanned Combat Air Vehicle (UCAV). SDB is currently in Component Advanced Development (CAD) phase with Milestone B planned for the fourth quarter of 2003. SDB is a key component of the Air Force's Global Strike Task Force.

(U) **FY 2002 (\$ in Thousands)**

- (U) \$33,036 Continue Component Advanced Development (CAD) phase with two competing contractors. CAD is defined as the development of subsystems/components that must be demonstrated before integration into a system capable of near precision accuracy.
- (U) \$662 Continue test support.
- (U) \$1,239 Continue aircraft integration.
- (U) \$2,864 Continue program office support.
- (U) \$952 Continue mission support.
- (U) \$38,753 Total

(U) **FY 2003 (\$ in Thousands)**

- (U) \$40,073 Complete Component Advanced Development (CAD) phase with two competing contractors. CAD is defined as the development of subsystems/components that must be demonstrated before integration into a system capable of near precision accuracy.
- (U) \$500 Continue test support.
- (U) \$7,350 Continue aircraft integration.
- (U) \$3,495 Continue program office support.
- (U) \$1,700 Continue mission support.
- (U) \$53,118 Total

Project 5006

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Exhibit R-2 (PE 0604329F)

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BUDGET ACTIVITY 05 - System Development and Demonstration (SDD)		PE NUMBER AND TITLE 0604329F Small Diameter Bomb																																																								
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<p>(U) <u>A. Mission Description Continued</u></p> <p>(U) <u>FY 2004 (\$ in Thousands)</u></p> <p>(U) \$113,992 Initiate System Development Design (SDD) phase. SDD is defined as integrating demonstrated subsystems and components for the fixed target variant and a production representative system for use in seamless verification testing and achieving near precision accuracy.</p> <p>(U) \$240 Continue test support and begin SDD testing.</p> <p>(U) \$6,060 Continue aircraft integration.</p> <p>(U) \$4,155 Continue program office support.</p> <p>(U) \$2,000 Continue mission support.</p> <p>(U) \$126,447 Total</p> <p>(U) <u>B. Budget Activity Justification</u></p> <p style="padding-left: 20px;">This program is budget activity 5 - System Development and Demonstration, providing funding for the development of the Small Diameter Bomb.</p> <p>(U) <u>C. Program Change Summary (\$ in Thousands)</u></p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"></th> <th style="width: 10%; text-align: center;"><u>FY 2002</u></th> <th style="width: 10%; text-align: center;"><u>FY 2003</u></th> <th style="width: 10%; text-align: center;"><u>FY 2004</u></th> <th style="width: 20%; text-align: center;"><u>Total Cost</u></th> </tr> </thead> <tbody> <tr> <td>(U) Previous President's Budget</td> <td style="text-align: right;">34,653</td> <td style="text-align: right;">54,368</td> <td style="text-align: right;">79,519</td> <td style="text-align: right;">168,540</td> </tr> <tr> <td>(U) Appropriated Value</td> <td style="text-align: right;">35,000</td> <td style="text-align: right;">54,368</td> <td></td> <td style="text-align: right;">89,368</td> </tr> <tr> <td>(U) Adjustments to Appropriated Value</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">a. Congressional/General Reductions</td> <td style="text-align: right;">-347</td> <td style="text-align: right;">-575</td> <td></td> <td style="text-align: right;">-922</td> </tr> <tr> <td style="padding-left: 20px;">b. Small Business Innovative Research</td> <td style="text-align: right;">-1,129</td> <td></td> <td></td> <td style="text-align: right;">-1,129</td> </tr> <tr> <td style="padding-left: 20px;">c. Omnibus or Other Above Threshold Reprogram</td> <td></td> <td style="text-align: right;">-675</td> <td></td> <td style="text-align: right;">-675</td> </tr> <tr> <td style="padding-left: 20px;">d. Below Threshold Reprogram</td> <td style="text-align: right;">5,407</td> <td></td> <td></td> <td style="text-align: right;">5,407</td> </tr> <tr> <td style="padding-left: 20px;">e. Rescissions</td> <td style="text-align: right;">-178</td> <td></td> <td></td> <td style="text-align: right;">-178</td> </tr> <tr> <td>(U) Adjustments to Budget Years Since FY 2003 PBR</td> <td></td> <td></td> <td style="text-align: right;">46,928</td> <td style="text-align: right;">117,949</td> </tr> <tr> <td>(U) Current Budget Submit/FY 2004 PBR</td> <td style="text-align: right;">38,753</td> <td style="text-align: right;">53,118</td> <td style="text-align: right;">126,447</td> <td style="text-align: right;">378,360</td> </tr> </tbody> </table> <p>(U) <u>Significant Program Changes:</u></p> <p style="padding-left: 20px;">FY04: Program reflects increased accuracy and weapons effectiveness for fixed/stationary target variant, deferral of the Phase II precision against moving target capability and the decision to use a common four-place carriage for all platforms.</p>					<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Total Cost</u>	(U) Previous President's Budget	34,653	54,368	79,519	168,540	(U) Appropriated Value	35,000	54,368		89,368	(U) Adjustments to Appropriated Value					a. Congressional/General Reductions	-347	-575		-922	b. Small Business Innovative Research	-1,129			-1,129	c. Omnibus or Other Above Threshold Reprogram		-675		-675	d. Below Threshold Reprogram	5,407			5,407	e. Rescissions	-178			-178	(U) Adjustments to Budget Years Since FY 2003 PBR			46,928	117,949	(U) Current Budget Submit/FY 2004 PBR	38,753	53,118	126,447	378,360
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BUDGET ACTIVITY 05 - System Development and Demonstration (SDD)				PE NUMBER AND TITLE 0604329F Small Diameter Bomb				PROJECT 5006				
(U) D. Other Program Funding Summary (\$ in Thousands)												
	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>Cost to</u>	<u>Total Cost</u>		
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Complete</u>			
(U) AF RDT&E (Lab 63601F)	2,163	8,028								10,191		
(U) Missile Procurement, AF, 27327F	0	0	0	38,379	96,933	184,388	180,593	194,513	1,395,505	2,090,311		
(U) E. Acquisition Strategy All major contracts within this Program Element have been awarded through full and open competition. Two contractors have been selected for the 24 month CAD phase using Firm Fixed Price contracts. Downselect to one contractor will occur prior to System Development and Demonstration (SDD). SDD will be a fixed target variant with near precision and significant weapon effectiveness. SDD will be a Cost Plus Award Fee contract. Leverage of Air Force Research Laboratory (AFRL) funding and resources will support the CAD phase. The government is buying the SDB based on a contractor-developed, government-approved System Performance Specification (SPS) which will become contractually binding at downselect. The contractor will assume performance responsibility as defined in the SPS and warrants system performance for 20 years. Accordingly, the contractor is responsible not only for the design of the missile system, but also for planning and executing the seamless verification program to verify the system performance. In its role as facilitator and advisor to the contractor, the government formally arranges and funds the use of government flight test support for testing. Although funded by the government, flight test support funds are part of the negotiated commitment between the contractor and the government ensuring the contractor is able to execute the test program according to the scope of the SDD contract.												
(U) F. Schedule Profile												
	<u>FY 2002</u>			<u>FY 2003</u>			<u>FY 2004</u>					
	1	2	3	4	1	2	3	4	1	2	3	4
(U) Milestone B									X			
(U) SDD Contract Award									X			
(U) SDD Kick Off									X			
(U) Begin Ground Testing										X		
(U) Flight Readiness Review												X
X - Planned Event												
* - Completed Event												
<div style="display: flex; justify-content: space-between;"> Project 5006 Page 3 of 5 Pages Exhibit R-2 (PE 0604329F) </div>												

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RDT&E PROGRAM ELEMENT/PROJECT COST BREAKDOWN (R-3)							DATE February 2003			
BUDGET ACTIVITY				PE NUMBER AND TITLE					PROJECT	
05 - System Development and Demonstration (SDD)				0604329F Small Diameter Bomb					5006	
(U) <u>A. Project Cost Breakdown (\$ in Thousands)</u>										
						<u>FY 2002</u>		<u>FY 2003</u>		<u>FY 2004</u>
(U)	Major Contracts					33,036		40,073		113,992
(U)	Assoc Contracts					1,239		7,350		6,060
(U)	Support Contracts					2,864		3,495		4,155
(U)	In-House					952		1,700		2,000
(U)	Test Support					662		500		240
(U)	Total					38,753		53,118		126,447
(U) <u>B. Budget Acquisition History and Planning Information (\$ in Thousands)</u>										
(U) <u>Performing Organizations:</u>										
<u>Contractor or</u>	<u>Contract</u>									
<u>Government</u>	<u>Method/Type</u>	<u>Award or</u>	<u>Performing</u>	<u>Project</u>						
<u>Performing</u>	<u>or Funding</u>	<u>Obligation</u>	<u>Activity</u>	<u>Office</u>	<u>Total Prior</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget to</u>	<u>Total</u>
<u>Activity</u>	<u>Vehicle</u>	<u>Date</u>	<u>EAC</u>	<u>EAC</u>	<u>to FY 2002</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>Complete</u>	<u>Program</u>
<u>Product Development Organizations</u>										
CAD Ktr 1 Contract	FFP	Sep-01	53,735	0	14,444	16,737	20,005	0	0	51,186
CAD Ktr 2 Contract	FFP	Sep-01	53,735	0	14,215	16,298	20,069	0	0	50,582
SDD 1 Contract	CPAF	1 Qtr 03	201,703	0	0	0	0	113,992	106,522	220,514
<u>Support and Management Organizations</u>										
F-22 SPO	PO	Oct-01	N/A	N/A	0	500	0	0	0	500
F-15 SPO	PO	Oct-01	N/A	N/A	0	112	7,300	5,800	2,100	15,312
F-16 SPO	PO	Oct-01	N/A	N/A	20	110	50	0	0	180
B-1 SPO	PO	Oct-01	N/A	N/A	0	125	0	0	0	125
B-2 SPO	PO	Oct-01	N/A	N/A	0	0	0	0	0	0
Other A/C SPOs	PO	Various	N/A	N/A	0	393	0	260	780	1,433
Sverdrup Inc.	C/CPAF	Jun-01	N/A	N/A	0	1,871	2,212	2,500	7,500	14,083
Other	Misc	Various	N/A	N/A	215	1,945	2,982	3,655	13,426	22,223
<u>Test and Evaluation Organizations</u>										
46 TW	PO	TBD	N/A	N/A	100	662	500	240	720	2,222
Project 5006				Page 4 of 5 Pages				Exhibit R-3 (PE 0604329F)		

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